

The Hungarian Competition Authority (GVH) approved new concentrations

With its decision concluded on 14 September 2010 the GVH granted authorisation to FHB Jelzálogbank Nyrt. (FHB) for acquiring 100 % of the shares – and therefore sole control - of Allianz Bank Zrt. (Allianz).

The undertakings are present both on the Hungarian market of residential and corporate banking services – concerning also credit loans and bank deposits -, but taking into account the market share possessed by the parties (as regards credit loans the market share of FHB is less than 5%, while the market share of Allianz does not reach 1%, as regards of retail deposits, corporate credit accounts and corporate deposit accounts the joint market share of Allianz and FHB is less than 1%) and the significant market share of the competitors, the GVH came to the conclusion that the concentration would obviously not result in harmful horizontal effects on the markets concerned.

In its decision the GVH highlighted the importance of FHB's special role in connection with mortgage loans, which hypothetically indicates that the refinancing of mortgage loans could be regarded as a separate relevant market. In this case, taking into account that FHB provides services to Allianz, the concentration may also have vertical effects. Nevertheless, the GVH considered two phenomena that show that the concentration would not distort competition: the low market share of Allianz and also the circumstance that Allianz and FHB were already business partners prior to the acquisition. Likewise, the outcome that with the acquisition of Allianz FHB's activity is going to expand with the supply of corporate investment services would not put harmful effects on competition either considering the low market share of the parties on the relevant markets.